

the

march 1975



# HALLMARK

united states army security agency

**SPECIAL ISSUE**  
Do it yourself tax kit

## SCHEDULE G (Form 1040)

Department of the Treasury  
Internal Revenue Service

Name(s) as shown on

Form **2119**

(Rev. Oct. 1971)

Department of the Treasury  
Internal Revenue Service

Name(s) as shown on Form

1. Date former residence

2a. Date new residence bought

b. If new residence

c. Date you occupied

d. Were both the old and new principal residences?

e. Were any rooms in the new residence used for business purposes? (If "Yes," explain)

## SCHEDULE SE (Form 1040)

Department of the Treasury  
Internal Revenue Service

If you had a new residence

If you had a new residence

Important.

NAME OF SELF-EMPLOYED

**1040**

For the year January 1 to December 31, 1974

Name (If joint return, give first names and initials of both)

Present home address (Number and street, including apartment or P.O. box)

City, town or post office, State and ZIP

**Filing Status** (check one)

1 ☐ Single

2 ☐ Married filing joint return

3 ☐ Married filing separate returns. If you are claiming a refund, you must also enter your spouse's social security number and enter full name here

4 ☐ Unmarried Head of Household

5 ☐ Widow(er) with dependent child

8 Presidential Election Campaign Fund

## SCHEDULE D (Form 1040)

Department of the Treasury  
Internal Revenue Service

Name(s) as shown on Form 1040

## Capital Gains and Losses

Enter the capital gains and losses on stock and bonds (not losses) on page 1 of this return. Attach Form 1040. See instructions.

## Short-term Capital Gains and Losses—Assets Held One Year or Less

Form **843**

(Rev. July 1974)  
Department of the Treasury  
Internal Revenue Service

For Internal Use

☐ Real estate  
☐ Personal property  
☐ Other

Name

Number

City

a. Year

c. Description

b. Date acquired (Mo., day, yr.)

c. Date sold (Mo., day, yr.)

**3903**

Department of the Treasury  
Internal Revenue Service

Name as shown on Form 1040

What is the distance from your new business location to your old business location? If the distance is more than 50 miles, you may deduct the cost of transportation.

new business location

If the distance is more than 50 miles, you may deduct the cost of transportation.

than 50 miles, you may deduct the cost of transportation.

Transportation

2 Travel, meals, and other expenses

3 Pre-move travel expenses for a new residence

4 Temporary living expenses for 30 consecutive days

5 Total (Add lines 2 through 4)

# SOLDIER'S GUIDE FOR OBTAINING INFORMATION & ASSISTANCE



## NOTES:

A. NUMBERS INDICATE ORDER OF CONTACT.

B. X MEANS "AS APPLICABLE."

C. THE CHAPLAIN IS ALWAYS AVAILABLE. HIS TELEPHONE NUMBER IS POSTED IN YOUR ORDERLY ROOM.

	SQUAD/SEC LEADER	PLATOON LEADER	FIRST SERGEANT	COMPANY COMMANDER	UNIT PERSONNEL OFFICER	BN, BDE, GP COMMANDER	CHAPLAIN	AMERICAN RED CROSS	JUDGE ADVOCATE	POST COMMANDER	BILLETING OFFICER	SCHOOL SUPERINTENDENT	INSPECTOR GENERAL	FINANCE OFFICER	POST TRANS OFFICER	ARMY COMMUNITY SERVICE
APPEALS	1	2	3	4	X	X	X		X	X			X			
ASSIGNMENT, REASSIGNMENT, MOS & PROFICIENCY PAY	1	2	3	4	5	6	X			X			X	X		
PERSONNEL MATTERS: PROMOTION, REDUCTION, REENLISTMENT, DISCHARGE, RETIREMENT, VETERANS' BENEFITS	1	2	3	4	5	6			X	X			X			
COMPLAINTS	1	2	3	4	X	5	X		X	X	X	X	6	X	X	X
DEBTS AND CIVILIAN CREDITORS	1	2	3	4	X	X	X		X							X
DEPENDENT SCHOOLS	X	X	X	X		X				2		1	X			X
FAMILY AND RELIGIOUS AFFAIRS	X	X	X	X	X	X	1	X	X	X			X			X
TRAVEL OF DEPENDENTS, SHIPMENT OF CARS AND HOUSEHOLD GOODS			1	2	X	X			X	X			X	X	3	
MEDICAL SERVICE	1	2	3	4	5	X				X			X			X
PAY, ALLOWANCES AND INCENTIVE PAY	1	2	3	4	5	7				X			X	6		
LEAVE AND PASSES	1	2	3	4	X	5	X		X				X			
INSURANCE, ALL TYPES	1	2	3	4	X	X										
LEGAL ASSISTANCE, INCLUDING U.S. AND FOREIGN LAW, WILLS, AND POWERS OF ATTORNEY			1	2					3				X			
MILITARY SCHOOLS			1	2	3	X							X			
PX, COMMISSARY, QM SALES STORE	1	2	3	X	X				X	4			X			X
GOVERNMENT QUARTERS			1	2	3	X				X	4		X			
REGISTRATION/OPERATION OF PRIVATELY OWNED VEHICLE			1	X		X			X	X			X			
POSTAL SERVICE			1	2	3								X			
ENTRY INTO USA, PASSPORT, VISA, NATURALIZATION, IMMIGRATION			1	2	3	X	X	X	4							X
HOME CONDITIONS AND EMERGENCY LEAVE	1	2	3	5	6	7	X	4	X	X			X			X
EMERGENCY FINANCIAL ASSISTANCE	1	2	3	4	5		X	X					X	6		X

Clip and File



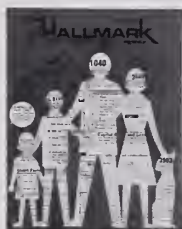
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Army information objectives

In  
this  
Issue

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**Our Cover**—1040, 3903, 2119, Hike??? You'll understand what these numbers mean and more after reading our specially prepared all-tax issue.

Cover by Ron Crabtree

## Glad You Asked

by Harold H Callaway  
Secretary of the Army

During the past year, I have met with hundreds of action officers on the Army Staff. In these meetings I have introduced a policy that is followed in my office—we call it, "Glad You Asked." It is not just a policy—it is a concept that is worthy of consideration throughout the Army.

A concept requires expansion beyond the identifying catch phrase. I would like to briefly describe how "Glad You Asked" operates. Assume that tomorrow morning a tough, investigative reporter or a Congressional staffer calls you on the phone and asks about your stickiest problem. It might be the last thing you wanted anyone to call about; the kind of thing that you were hoping would not surface at all. We must be in a position to answer "Glad You Asked" and really mean it. This is possible when you know that every action taken results from an open, candid, honest evaluation of the facts at hand.

In the decision-making process, there is usually a choice of one or more basically correct courses of action. "Glad You Asked" means that you will select the course of action best for the Army and the country. No "hanky panky", no "cover up" for earlier poor judgment, no "weasel wording," and no hesitancy to say, "we goofed, but we want to make it right." This concept really works. Of course, you may not be able to talk about classified information, but "Glad You Asked" still applies. You will feel better, because the job will have been done right and you will be proud of the way you handled it.

Use this concept in the spirit of duty, honor and country. Realize that it is not a gimmick, but basically an attitude of confidence, openness, and competence.

Winner of 3 Blue Pencil Awards from the Federal Editors Association  
and an Award of Merit from the Society of Technical Communication

MAJOR GENERAL GEORGE A. GODDING, *Commander, US Army Security Agency*

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**Y**ou've still got some time to avoid last minute rush. Frantically worrying about it doesn't help either. What does help is an organized beginning. Start with a calm search for missing medical records and misplaced transactions. Plenty of paper and sharpened pencils are good workmates.

Don't assume that the task in front of you is unsurmountable before you begin.

The Internal Revenue Service isn't "out to get you". In fact, this year, they are quick to point out that they're with you all the way. An honest mistake is accepted as an honest mistake by the IRS. Only the out and out intentionally dishonest taxpayer should worry about "getting caught".

To make preparation of your taxes as easy as possible, the IRS instruction booklet provides useful information. Another publication, IRS Publication 17 "Your Federal Income Tax" may answer your most intriguing questions—better yet—it's free!

Be careful about spending money on booklets and pamphlets found in your local bookstore. Often they are reprints from Uncle Sam's free booklets.

If you have too many unanswered questions, turn to a professional. Many IRS offices will answer your tax questions over the phone. Free. They won't fill out your forms, but if you have a specific question, they are happy to try to help you. Check your yellow pages for the number in your area.

Don't overlook the post legal assistance officer. In most cases, the JAG office keeps necessary forms and instruction booklets on hand. There you can probably find the answers to your most taxing problems.

A professional tax preparer may be the answer for the family with high tax liabilities and/or numerous deductions. Remember, regardless of who you select to prepare your tax forms, you are the individual responsible.

Which form should you use? Form 1040A is to be used if your income was from salary or wages, other employee compensation, dividends, interest and you do not itemize your deductions.

If you have any questions about the form refer to the printed instructions or see your unit legal assistance officer.

Use 1040, the "long form" regardless of the amount of your income if you itemize deductions: medical expenses, state and local taxes, charitable contributions, interest expenses, casualty losses, moving expenses, sick pay, etc. If you received Prisoner of War or Missing in Action payment, you can claim the entire amount. Amount of money received as a State Bonus does not need to be reported as gross income.

April 15, 1975, is the deadline for filing. Your return must be postmarked no later than midnight, April 15, 1975. If you owe IRS any money, that, too, must be included in your return unless you have asked IRS to figure your tax.

Military homeowners have a tax break this year. Service members once again have four years to reinvest the profits earned from the sale of a home. This measure is part of a tax bill signed into law recently by President Gerald R. Ford.

This law gives soldiers up to four years to reinvest profits from sale of their primary residence before being taxed. Profits must be reinvested in another primary residence.

A technicality reduced the

*Tax time*

## Who's

time period for reinvestment to one year when the draft ended June 30, 1973, although an opinion by the IRS did not enforce the one-year rule until November 1974.

The new law reinstates the four year period, retroactive to June 30, 1973, that previous legislation gave service members.

Other provisions of the law extend the combat zone tax exclusion that had expired June 30. It also excludes from tax-

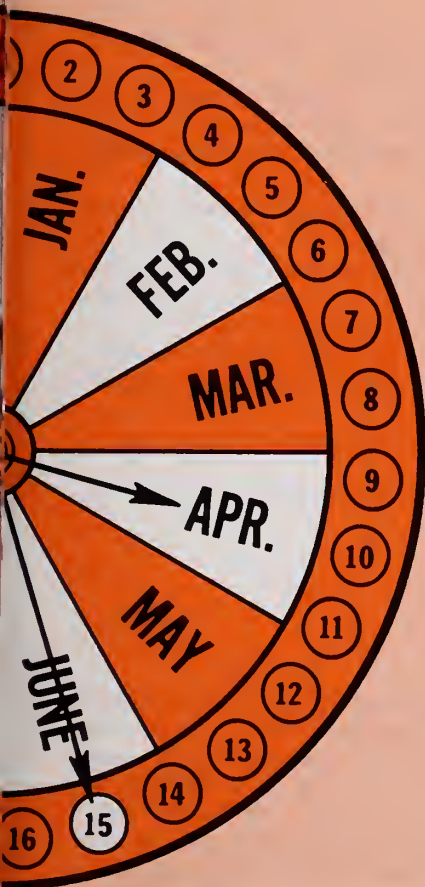




# Worrying ??

tion military pay received while a soldier was hospitalized for combat injuries.

The key to an accurately prepared tax form is good records. Trying to remember each taxable expense incurred during a year is a job for a herd of elephants. If you slipped up last year, make it a point to start keeping accurate 1975 records now! All you need is a simple file folder—a manila envelope would do. Next year's taxes are bound to be easier.



Many soldiers are unaware of the fact that they may also have a state or local income tax liability. Service members are not excused or exempt from such state or local income taxes merely because they are on active duty, unless the law of their particular state exempts them from taxation or the state has no income taxation.

**Every soldier** must meet the state tax laws of the state that is his 'legal domicile.' This domicile is usually the address shown in the soldier's finance record.

As a general rule, states that impose taxes do so on two classes of persons: those persons 'resident' or 'domiciled' in the state at certain times during the tax year, regardless of their source of income; and persons not resident or domiciled in the state but 'deriving' income from sources within the state.

If the general rule were literally applied, a soldier could be liable for income in two or more states—his state of 'legal domicile' and the state he is stationed in.

**However, the Soldiers' and Sailors' Civil Relief Act** relieves active duty soldiers from this possible double taxation on their service pay. This means that a soldier who is legally domiciled in one state but stationed in another due to military orders does not have to pay taxes on his service pay to the second state.

Keep in mind that the act does not exempt retired pay, or the separate income of a spouse or other member of the soldier's family. Nor does the act cover the income of servicemen derived from off-duty employment, businesses, investments, rents, bank deposits and other sources.

**Most of the states** now have reciprocal enforcement laws in

which the courts recognize and enforce the liability for taxes imposed by another state. For example, Virginia may enforce collection of taxes owed in California.

Such devices as comparing automobile registration and voter's rolls with tax returns received are used to find delinquent taxpayers. Use of computers makes these comparisons and other tax collection procedures relatively simple.

Furthermore, the Army sends a wage and tax statement (W-2) to the state indicated by the soldier in his finance records. If no legal residence appears in his record, the W-2 is sent to the state in which the wages are earned.

**Only seven states** do not levy individual income taxes on legal residents; several levy a commuter tax. All other states, the District of Columbia, Guam and Puerto Rico have income taxes regardless of your physical location—CONUS or overseas.

However, some of these states provide either full or partial exclusion of active duty or retired pay.

Collection of unpaid taxes can cause substantial hardship that regular prompt periodic payment may avoid. Present voluntary payment of taxes may lead state tax authorities, on a case-by-case basis, to waive penalties, interest, or even the taxes themselves, on unpaid prior accounts.

The legal—and moral—way out of a costly and embarrassing situation for failing to pay required state and local income taxes is to file and pay your fair share of government. It may hurt a little bit now, but not nearly as much as it may later on.

The information on the following pages was prepared by DoD Information Guidance Series.

# INCOME TAX BENEFITS FOR THE MILITARY

## What special provisions in paying Federal income tax apply to members of the Armed Forces?

**Policy:** As citizens enjoying the benefits of the American society while at the same time serving to protect those benefits, members of the Armed Forces are expected to pay their fair share of the cost of government. However, since service in the Armed Forces entails personal sacrifice at times, the Congress has authorized certain exemptions and deductions for military men and women.

**Who Must File?** The cut-off amount for filing the Federal income tax depends on the marital status and age of the individual. Marital status is determined as of the last day of the tax year, which is December 31 for most taxpayers.

- — **A single individual** must file a return if he or she had **\$2,050 or more gross income** for the year. At age 65 or older, the requirement is \$2,800. Any **individual who may be claimed as the dependent** of another taxpayer must file a return if he or she had **gross income of \$750 or more** and received any unearned income during the year.

- — **Married persons** must file a tax return if the combined gross income of **both spouses is \$2,800 or more provided they file a joint return and are living together** at the close of the tax year. The requirement is \$3,550 if either husband or wife is 65 or older and \$4,300 if both are 65 or older. **Note:** Each spouse with \$750 income must file if they file separate returns, or if they do not share the same household at the end of the year, or if another taxpayer is entitled to claim an exemption for either the husband or the wife.

- — **Anyone who had Federal income tax withheld** from pay during the year but did **not have enough income to be required to file** a return should file in order to **receive a refund**. By filing a return and claiming your personal exemption, you can get a refund even if you may be claimed as a dependent by another taxpayer.

**When To File:** Everyone is advised to file as early as possible in order to reduce the burden on the IRS staff. In addition, a taxpayer due a refund will have that refund faster with an early return than with a last-minute return.

**April 15, 1975 is the final date for filing by individuals who wish to avoid payment of a penalty and interest except—**

- — **military personnel** on duty outside the United States and Puerto Rico are permitted **an automatic extension of the filing date until June 16, 1975, but must pay interest on taxes not paid on or before the normal due date of April 15, 1975**. Servicemen and women desiring to take advantage of this provision of the law must attach a statement to the income tax form indicating that they were outside the U.S. or Puerto Rico on April 15, 1975.

- — **postponement of the due date for a Federal income tax return** is also granted to members of the Armed Forces and civilian Federal employees who are absent from duty stations because they are miss-

ing, missing in action, or interned or detained in a foreign country against their will on the date that Federal income tax returns would normally be due. In these instances, returns are due on the 15th day of the 3rd month after they cease to be absent, or the 15th day of the 3rd month after appointment of an executor or administrator or conservator of their estate, whichever is earlier. A member of the Armed Forces or a civilian government employee may exclude from gross income any compensation received during periods while either missing in action or a prisoner of war as a result of the Vietnam conflict.

**What Income Is Taxable? What Income Is Exempt?** Unless specifically exempted, military pay is taxable. **Taxable income** includes—

- — **active duty pay,**
- — **Reserve training pay,**
- — **reenlistment bonus,**
- — **dislocation allowances** paid upon transfer from one station of duty to another which exceed expenses,
- — **trailer-moving allowances**, but actual moving expenses may be deductible in arriving at adjusted gross income,
- — **Armed Services Academy pay** and **Naval Aviation college programs,**
- — **lump-sum payments upon separation or release to inactive duty** (but not disability severance pay),
- — **military retirement pay** based on age or length of service but the amount of reduction in retirement or retainer pay to provide a survivor annuity for spouse or children is not included in income,
- — **temporary duty and per diem payments in excess of expenses,**
- — **interest from the Uniformed Services Savings Deposits** which ended in June 1974,
- — **payments for accrued leave unless earned in a combat zone.**

**Exempted income for military members includes—**

- — **quarters allowance,**
- — **subsistence allowance,**
- — **clothing allowance,**
- — **family separation allowance,**
- — **station housing allowance,**
- — **cost of living allowance,**
- — **expenses incident to moving** a member of the Armed Forces, his family, and their household goods on a change of duty station **are deductible**; expenses incident to the move, such as pre-move house-hunting trips, temporary lodging for up to 30 days, and some of the costs in the settlement of a lease, the sale of a home, and the purchase of a new home are deductible within certain dollar limits. **Individuals should check with the nearest IRS office for further guidance.** Cash amounts received from the Armed Forces



to reimburse a member for moving expenses must be included in gross income reported on the Federal income tax form,

- —state bonus payments,
- —Veterans Administration benefits,
- —VA insurance dividends,
- —Social Security benefits,
- —death gratuity benefits made to beneficiaries of Armed Forces personnel who died on active duty,
- —disability severance pay and temporary or permanent disability retirement pay elected on the basis of percentage of disability.

**State Income Taxes:** Active duty in the Armed Forces does not relieve individuals of their responsibility to pay any income taxes imposed by their State of residence. See DIGS Fact Sheet 8A-18, February 1975, for complete information on liability for State income taxes.

**IRS Assistance:** Employees of the Internal Revenue Service will aid in solving any problems which might arise in computing income tax payments or refunds. In addition, each year the Military Departments designate certain individuals as tax advisors for members.

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**Reference:**

"Your Federal Income Tax," 1975 edition, Internal Revenue Service.

## *Record Keeping Requirements*

**What are the requirements for members of the Armed Forces and their dependents insofar as recordkeeping for the purposes of the Federal income tax?**

**General:** Federal law requires every taxpayer to maintain records that will enable him or her to prepare complete and accurate tax returns and insure that only the proper amount of tax is paid.

Most of the questions which arise in the preparation and filing of income tax forms—Federal as well as State and local—can be answered by pamphlets which are available from either the Internal Revenue Service or the offices of the State or local taxing agency.

The maintenance of proper records for the appropriate length of time, however, is an individual consideration and one which is of the utmost importance.

Although the law does not require any particular kind of records, what records are kept must be permanent, accurate, and complete.

Records that are kept for the payment of income taxes must clearly establish the amount of income and source, the deductions that are taken, the credits which are claimed, and the information needed to identify the taxpayer to the IRS or other agency.

Memoranda or sketchy records or haphazard personal recollection of an event or deduction are inadequate.

**How Records Are Helpful:** A few of the ways that adequate and complete recordkeeping for tax purposes may aid the taxpayer are to—

- —identify sources of income—cash or property may be received from a number of sources during the tax year; unless records clearly identify the source, individuals may be unable to substantiate that some part of the income is nontaxable,
- —prevent omission of deductible expenses—many small or minor expenses may be overlooked when tax returns are prepared months

later unless they are recorded at the time they were incurred or paid; an overlooked item of \$25 could cost \$3.50 or more in extra tax dollars.

- **—take advantage of capital gain and loss provisions**—if records are adequate and show the date an asset (whether or not it is depreciable) was acquired, what it was used for, and whether it was sold, traded, destroyed, or otherwise disposed of, a taxpayer may be able to take advantage of the capital gain provisions of the law; it may also be possible to postpone paying tax on certain gains or to deduct certain losses that otherwise would not be deductible or would be deductible only in part,

- **—explain itemized reports on income tax returns**—in instances where an income tax return is audited by the IRS, disputed items may require complete explanations; sales slips, invoices, receipts, cancelled checks, and other documents always support adequate records and are essential for explanations.

**Retention Of Records:** Records must be retained as long as their contents may be material in the administration of any Internal Revenue Service law. Essentially—

- **—records that support an item of income** or a deduction appearing on an individual's return should be kept until the "statute of limitations" expires for that return; usually this is **three years from the date the return was filed or was due, or two years from the date the tax was paid, whichever occurs later,**

- **—some records must be kept indefinitely, as in the case of the purchase of a house** where the individual will have to keep all the records concerning the property over the period that the house was owned so that when it is sold, the owner can prove how much was paid for it, what was spent for repairs, etc.,

- **—records of transactions relating to the basis of property should be retained for as long as they are material** in determining the basis of original or replacement property; at times legislation is enacted that provides for relief for taxpayers if they can establish facts that can be proven only by records of transactions in prior years.

In addition, copies of all previous income tax returns should be kept in permanent files. They will serve as aids in preparing future tax returns and in making computations if the taxpayer later files a claim for a refund or amends a tax return.

**Accounting Periods:** Every taxpayer must compute taxable income and file an income tax return on the basis of a period called the "tax year."

A tax year—usually 12 consecutive months—may be a calendar year or a fiscal year. If an individual files his or her first return as a wage earner on a calendar year basis and later starts a business as a sole proprietor (such as after military retirement), the business books must also be set up on a calendar year basis unless permission is obtained from the Commissioner of Internal Revenue Service to change the accounting period to a fiscal year system.

**IRS Publications And Assistance:** The publications listed below—only a small part of those available—may be obtained free by sending a postcard to any Internal Revenue Service office or by visiting the nearest IRS office. IRS employees in any office will furnish the required forms and assist by explaining difficult portions.

## *Bedside Reading*

### IRS PUBLICATIONS

Alimony Payments, Deduction for, #504  
Audit of Returns, Appeal Rights, #556  
Bad Debts, Deductions for, #548  
Child Care & Disabled Dependent Care, #503  
Community Property & Income Tax, #555  
Contributions, Deductions for, #526  
Depreciation, Tax Information on, #534  
Disasters, Casualty Losses, and Thefts,  
Tax Information on, #547  
Donated Property, Valuation of, #561  
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Exemptions, Your, #501  
Homeowners, Tax Information  
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of Estimated Tax, #505  
Taxable/Nontaxable Income, #525  
Taxes, Income Tax Deduction for, #546

### DIGS Fact Sheets

8A-18-State Income Taxes  
8A-22-Federal Income Tax Benefits for  
Military Men and Women  
8A-32-Federal Income Tax Forms 1040A  
and the Military  
8A-35-Tax-Saving Guide to Itemized Deductions  
8A-53-IRS Assistance in Computing Your  
Income Tax  
8A-54-Where To File Your Tax Form



# STATE INCOME TAXES

## Are active duty personnel and their dependents liable for State income taxes?

**General:** It is the **personal responsibility of each Servicemember** to obtain necessary forms, file returns, and pay State taxes in addition to paying Federal taxes. The fact that an individual is on active duty in the Armed Forces does not automatically exempt him or her from liability for State and local income taxes.

The **Soldiers' and Sailors' Civil Relief Act (50 U.S.C. App. 574)**, however, **reserve the right to tax a Servicemember's income to his or her State of original residence or domicile**, which is sometimes referred to as a "home" State. The Act does protect a Servicemember from taxation by a State where he or she may be residing by virtue of military orders but of which the individual is not a legal resident, except that taxes must be paid on income derived from a business, rental property, or civilian employment within such State.

A "home" State may also tax such income; however, reciprocal tax credits reduce the burden of dual taxation in most cases. It should be pointed out that **one's legal "domicile" and the "home of record" as used within the Armed Forces are not always identical**. The "home of record" is merely a term used in the Armed Forces to designate the place to which a Servicemember may be entitled to mileage reimbursement upon separation and is not always the legal domicile. **In determining the right to tax an individual, a State frequently looks to see whether the individual has claimed benefits based on domicile or has exercised the right to vote—one of the strongest indication of domicile.**

Copies of Wage and Tax Statement, IRS Form W-2, are furnished to States which Servicemembers indicate to be their domicile except while individuals are stationed outside the 50 States and the District of Columbia.

Income-taxing States are making a concerted drive to locate delinquent taxpayers and are imposing penalties for failure to file and pay appropriate State taxes. **Guidance in determining tax liability may be obtained from legal assistance officers.**

The time limits for filing returns, including postponements or

extensions for sea, overseas, or combat-zone duty vary from State to State and are subject to change. While most States have provisions authorizing deferments for filing and paying taxes where good cause is shown by the taxpayer, an application for such permission must contain a full recital of the facts and must be submitted far enough in advance of the regular due date to give State authorities time to consider the application.

**The following States do not impose individual income taxes on residents generally: Florida, Nevada, New Jersey, South Dakota, Texas, Washington, and Wyoming. New Hampshire and New Jersey impose a "commuter tax."**

**In general, the following rules apply when consulting the chart below—**

- —"married couple" or "married" as used in this summary means husband and wife living together, except that in Arizona and California they may be living apart,
- —**a married serviceman or woman is considered to be living with his or her spouse when separated only by reason of military orders,**
- —most States now have provisions for filing declarations and payment of estimated taxes,
- —**under Section 513 of the Soldiers' and Sailors' Civil Relief Act, a member may defer payment of taxes, without interest or penalty, until six months after discharge if ability to pay is materially impaired by reason of active service;** service in the combat zone or missing status as a result thereof may qualify as grounds for delayed payment of taxes, however, returns must be filed on time.
- —most States have provisions for extension of time for filing returns upon application by a taxpayer to the tax officials of his home State,
- —various cities and municipalities levy a personal income tax; where a question exists, each member should contact his or her home municipality to ascertain liability, and
- —**returns and payment of the tax are due on April 15, 1975, unless otherwise noted on the chart.**

## SUMMARY OF INCOME TAX LAWS OF STATES AND POSSESSIONS OF THE U.S.

Least Income To File	Personal Exemptions/Credits; Military Exclusions/Deferments in bold face	Where To Obtain Forms And File
<b>ALABAMA</b> S—\$1,500 net M—\$3,000 net \$3,000 gross	S—\$1,500; M—\$3,000 and \$300 each D. <b>Military pay for combat zone exempt;</b> <b>members outside the U.S. may request extension for filing until 30 days after return to U.S.</b>	Alabama Dept of Revenue, Income Tax Division, Montgomery, Alabama 36102

\* S=Single    M=Married or head of family    D=Dependent

**ALASKA**

Same as Federal if part of income comes from sources within State; **to file jointly if wife has civilian income serviceman must have civilian income of \$600 or more.**

**ARIZONA**

S—\$1,000 net,  
M—\$2,000 net  
\$5,000 gross

**ARKANSAS—due 15 May**

S—\$3,000, M—\$4,000

**Military must file a return if their gross income (before exclusion) exceeds filing requirements, even though they owe no actual tax.**

**CALIFORNIA**

S—\$3,250 adjusted gross, M—\$6,500 adjusted gross,  
\$7,000 gross

**Note:** domiciliaries on permanent duty out of State are classified as non-resident for State's income tax purposes only and need not file returns on income derived outside State; if married and wife remains in State, she would be taxable on one-half community, income plus her separate income, if any.

**COLORADO**

S—\$1,750 adjusted gross

M—\$2,500 adjusted gross

(\$750 on separate returns) plus \$750 for each taxpayer 65 or older.

**CONNECTICUT**

Net capital gains of \$100

**Note:** State laws provide that an individual who maintains no permanent place within State, maintains a residence elsewhere, and is in State less than 30 days, is considered not to be a resident.

**DELAWARE—due 30 April**

If required to file a Federal return or gross income of—S—\$600, M—\$1,200

**Note:** State law provides "resident" of this State means (1) individual is domiciled in State for any part of taxable year to the extent of the period of such domicile, or (2) individual maintains a place of abode in State and spends aggregate of more than 183 days in State. **Servicemembers who maintain Delaware as home State are considered residents of State and taxable in State.**

**DISTRICT OF COLUMBIA**

S—\$1,000 gross income,

M—\$2,000 gross income

**GEORGIA**

Same as Federal

Same as Federal, except part-year residents must pro-rate the exemption by number of months in State. **All military pay exempt, with same extensions as under Federal.**

S—\$1,000; M—\$2,000; additional \$500 if blind. **Military—\$1,000 active pay, all mustering-out pay and all terminal leave pay exempt; members outside U.S. may defer until 180 days after release; disability retired pay exempt.**

S—\$17.50; M—\$35, \$17.50 if blind, \$6 each D, with \$50 additional for mentally retarded child maintained at home. **Military—\$6,000 service pay and allowances excluded; \$6,000 retired or disability pay exempt.**

S—\$25; M—\$50; \$8 if taxpayer or spouse is blind, \$8 each D. **Military—\$1,000 pay, all mustering-out pay, terminal leave pay are exempt; filing and paying deferred without application or interest until 180 days after return to U.S. Combat zone pay exclusion same as Federal; retired pay exclusion of \$1,000, but reduced if adjusted gross exceeds \$15,000.**

\$750 each exemption, \$7 food tax credit for each person allowed on Federal return, \$750 for retarded dependent, plus low-income allowance. **Military—same as Federal, including combat-zone exclusion, postponement for filing and paying; \$2,000 retired pay excluded.**

\$100 for each individual required to pay the tax, \$100 additional if blind, age 65 or older. **Military—none.**

\$600 for taxpayer, \$600 for spouse, \$600 each D; \$600 additional for taxpayer and spouse if blind, 65 or older. **Military: same as Federal, including combat-zone exclusion and postponement for filing and paying. If killed while serving in a combat zone, or dies as a result of wounds, disease, or injury incurred in a combat zone while on active duty, taxes will be cancelled, abated, or refunded.**

S—\$1,000, M—\$2,000, Head of Family—\$1,500, \$500 each D, \$500 additional for taxpayer and spouse if blind; limited sales tax credit. **Military—same as Federal re pensions or annuities for personal injuries or sickness incurred in Armed Forces. Upon application, deferment for filing or paying granted for 6 months after return is due, 1 year if outside U.S.**

S—\$1,500, M—\$3,000, \$700 each D, \$700 additional if blind, 65 or older, additional amounts for students. **Military—Combat zone exclusion same as Federal, filing and paying w/o penalty or interest granted w/o application to members outside U.S. until 60 days after return. Abatement provided for death as result of wounds, disease, or injury incurred while serving in combat zone. Disability retired pay is excluded.**

Alaska Dept of Revenue, State Office Bldg, Pouch SA, Juneau, Alaska 99801

Arizona Dept of Revenue, West Wing Capitol Bldg, Phoenix, Arizona 85007

State Income Tax, Arkansas Revenue Dept, P.O. Box 1000, Little Rock, Arkansas 72201

California Franchise Tax Board, Sacramento, California 95867

Colorado Dept of Revenue, 1375 Sherman Street, Denver, Colorado 80203

Collections & Accounting Division, State Tax Dept, Hartford, Connecticut 06115

Delaware Div. of Revenue, 601 Delaware Avenue, Wilmington, Delaware 19899

District of Columbia Dept. of Finance & Revenue, 300 Indiana Ave., NW Washington DC 20001

Department of Revenue, Income Tax Unit Trinity-Washington Bldg, Atlanta, Georgia 30334



**GUAM**

Same as Federal. **Note:** Guamanians and others who are U.S. citizens through naturalization proceedings in the U.S. District Court of Guam, serving with U.S. Armed Forces, are liable to Govt of Guam on income from all sources with credit for any U.S. tax paid.

**HAWAII—due 20 April**

\$750 gross income, \$1,500 if 65 or older.

Same as Federal. **Military—same as Federal, including combat-zone exclusion.** As to Service compensation, Guam in practice has not imposed income tax on U.S. citizens serving in Guam, except on income from Guam sources which is effectively connected with a trade/business.

General Taxes Division, Dept of Revenue and Taxation, Government of Guam, Agaña, Guam 96910

**IDAHO**

S—\$2,050 under 65; S—\$2,800 over 65; M—\$2,800 joint under 65; M—\$3,550 joint, 1 under 65.

\$750 personal exemption, \$1,500 if 65 or older, except \$5,000 in lieu of above if taxpayer is blind, deaf, or totally disabled, also excise tax credit. **Military—same as Federal, including combat zone exclusion, postponement for filing same as Federal.** PWs and MIAs have been granted same benefits as provided by Federal law. Also first \$500 received by a member of a Reserve component.

Hawaii Dept of Taxation, Income Tax Division, P.O. Box 259, Honolulu, Hawaii 96809

Same as Federal plus \$10 grocery credit each person; for 1974 additional \$5 credit each personal exemption. **Military—active duty service pay excluded if duty fulltime; postponement same as Federal.** Combat-zone exclusion same as Federal. MIA military pay exempt. Pro-ration required for military pay exclusion.

Idaho Tax Commission, 317 Main, Box 36, Boise, Idaho 83772

**ILLINOIS**

If required to file Federal return or if taxable income is more than \$1,000 multiplied by exemptions claimed for Federal tax. **Note:** a resident is individual who is either present in State for other than temporary purpose or who is domiciled in State but is absent from State for only temporary purpose. Individual who ceases to be a resident during year is considered part-year resident and is required to file a return from that part of year in State.

\$1,000 for each exemption allowable under Federal law. **Military—all active service pay is exempt; postponement for filing and abatement of tax by reason of combat-zone death or PW/MIA same as Federal.** All retired pay exempt.

Illinois Dept of Revenue, P.O. Box 3386, Springfield, Illinois 62726

**INDIANA**

Gross income of \$1,000 or more

**Note:** local county taxes apply to military personnel.

\$1,000 each taxpayer on separate returns, limited on joint returns, \$500 for each age 65, blind, or dependency Federal exemption. Renters deduction up to \$1,000. **Military—combat zone exclusion same as Federal; first \$2,000 taxable active and reserve-service pay also exempt.** Retired pay taxable same as Federal.

Indiana Dept of Revenue, State Office Bldg, 100 N. Senate Avenue, Indianapolis, Indiana 46204

**IOWA—due April 30**

If required to file a Federal return or if net income of \$2,000 or more taxable by State. **Note:** Legal domiciliaries should file a return, even if no tax due, for record purposes; this is evidence of intent to retain legal domicile in State.

S—\$15; M—\$30; D—\$10 each; \$15 additional if blind, 65 or older. **Military—same as Federal, including combat zone exclusion, plus all military pay excluded if on active duty more than 6 continuous months; filing extension granted on application.**

Iowa Dept of Revenue, Income Tax Division, Robert Lucas Bldg, Des Moines, Iowa 50319

**KANSAS**

S—\$1,900 gross income,

M—\$2,500 gross income

\$600 per exemption, plus partial credit for property taxes paid if 65 or older and meets income requirements. **Military—same as Federal, including combat-zone exclusion, postponement for filing and paying, and abatement of tax for death resulting from combat-zone service; PW/MIA pay not taxable.** First \$2,000 retired pay for 65 and over not taxable.

Director of Taxation, Income & Inheritance Tax Bureau, P.O. Box 692, Topeka, Kansas 66601

**KENTUCKY**

S—\$1,200 gross income

M—\$2,500 gross income

\$20 for taxpayer, \$20 for spouse, \$20 each D, \$20 additional if taxpayer and spouse blind or 65 or older. **Military—same as Federal, including combat-zone exclusion; military pay of PW/MIAs not taxable.** Members may defer filing and payment until 12 months after termination of service. Retirement income up to \$4,000 may be excluded by those 50 or older.

Kentucky Dept of Revenue, Box 740, Frankfort, Kentucky 40601

**Least Income To File****Personal Exemptions/Credits; Military Exclusions/Deferments in bold face****Where To Obtain Forms And File****LOUISIANA—due May 15**

S—\$2,500 net income, M—\$5,000 net income, or gross income of \$6,000 or more

S—\$2,500; M—\$5,000, \$400 each D (less 1 for head of family); \$1,000 per person, including dependents, who are blind, mentally retarded, deaf, or have lost a limb. **Military—Disability retired pay is exempt.**

Louisiana Collector of Revenue, Individual Income Tax Div, Baton Rouge, Louisiana 70821

**MAINE**

Same as Federal, or Maine adjusted gross income of S—\$1,000, (\$2,000 if 65 or older); M—\$2,000 (plus \$1,000 for spouse 65 or older). **Note: State law provides in part that a resident individual shall mean an individual who is domiciled in State unless he maintains no permanent place of abode in State, does maintain an abode elsewhere, and spends in the aggregate not more than 30 days of taxable year in State.**

\$1,000 each exemption allowable on Federal income tax return. **Military—same as Federal, including combat-zone exclusion.**

Income Tax Division, Maine Bureau of Taxation, State Office Bldg, Augusta, Maine 04330

**MARYLAND**

If required to file a Federal return or if Federal income plus Maryland additions exceed Federal requirements for filing.

S—\$800, M—\$1,600, \$800 each D, \$800 if blind, 65 or older (also for dependents 65 or older). **Military—combat zone exclusion same as Federal, members outside U.S. may defer filing until 3 months after return to U.S. Disability retired pay not to exceed "average annual benefit."**

State of Maryland Comptroller of the Treasury, Income Tax Div, Annapolis, Maryland 21401

**MASSACHUSETTS**

Gross income of \$2,000

S—\$2,000, additional \$2,000 if blind, and additional \$600 if 65; M—\$2,600 joint return, plus an amount of wages or salary not exceeding \$2,000 of spouse having the smaller income; if M— and filing separately, \$2,000; \$600 each D; tax credit of \$4 each taxpayer & spouse, \$8 each D, if income subject to tax is \$5,000 or less.

**Military—combat zone exclusion same as Federal; extension may be granted; tax benefits granted to PW/MIAs.**

Massachusetts Dept of Corporations and Taxation, Income Tax Bureau, Government Center, Boston, Massachusetts 02204

**MICHIGAN**

When Federal adjusted gross income exceeds amount of personal exemptions.

**Note—some cities impose income taxes, but military pay is exempt by State law.**

\$1,500 for each exemption on Federal return. **Military—all military pay including retired pay is subtracted on member's income tax return. Extension may be granted.**

Michigan Dept. of Treasury, Income Tax, P. O. Drawer H, Lansing, Michigan 48904

**MINNESOTA**

S—\$1,000 gross income, M—\$1,800 gross income, or if tax on taxable income exceeds the allowable credits.

S—\$21; M—\$42, \$21 each D; rent credits up to \$120; additional \$21 if single and blind, and additional \$25 if married and blind. **Military—same as Federal, including combat-zone exclusion and postponement for filing and paying, plus specific exclusion of \$3,000 military pay and all mustering-out pay; additional \$2,000 exclusion for service wholly performed out of State; members out of U.S. have automatic extension until 6 months after return for filing and paying. Minnesota Vietnam bonus is not taxable.**

Minnesota Dept. of Revenue, Income Tax Division, Centennial Office Bldg, St. Paul, Minnesota 55145

**MISSISSIPPI**

Gross income in excess of personal exemption and standard deduction

S—\$4,500; M—\$6,500, \$750 each D; additional \$750 if blind, 65, or older.

**Military—combat-zone and hostile fire pay exclusion same as Federal; all PW/MIA pay non-taxable; extension granted for good cause. First \$5,000 of retired pay is exempt.**

State Tax Commission, Income Tax Division, Box 960, Jackson, Mississippi 39205

**MISSOURI**

Every individual who has adjusted gross income of \$1,200, who is required to file a Federal income tax return.

**Note: State law provides "resident" means individual who is domiciled in State unless (1) he maintains no permanent place of abode in State, (2) he does maintain a permanent place of abode elsewhere, and (3) he spends in the aggregate not more than 30 days of taxable year in State. Tax return should be completed through line 16(b). Affidavit re residency should be attached.**

\$1,200 for self, \$1,200 for spouse, \$400 each D claimed on Federal return, \$800 additional if head of household or surviving spouse. **Military—extensions of time on request, postponement for filing and paying up to 180 days after return from combat zone, abatement of taxes if member died in a combat zone or as a result of wounds, disease, or injury incurred in combat zone.**

Missouri Dept. of Revenue, Income Tax Department, Jefferson City, Missouri 65101



**Least Income To File****Personal Exemptions/Credits; Military Exclusions/Deferments in bold face****Where To Obtain Forms And File****MONTANA**

S-\$720 gross income, M-\$1,445 gross income, plus exemption if blind, or age 65

S-\$650; M-\$1,300, \$650 each D, \$650 additional if blind, 65, or older. **Military-same as Federal, including combat zone exclusion, first \$3,600 retired pay exempt, State veterans bonus exempt.**

Department of Revenue, State Capitol Bldg., Helena, Montana 59601

**NEBRASKA**

If required to file a Federal income tax return.

None, tax is 11 percent of Federal tax. \$13 food sales tax credit if in State more than 6 months of year. **Military-same as Federal, including combat-zone exclusion and postponement for filing and paying.**

Nebraska Dept. of Revenue, Box 94818, State Capitol, Lincoln, Nebraska 68509

**NEW HAMPSHIRE-due May 1**

Investment Income Tax-any amount of taxable interest or dividends. **Commuter Income Tax-an income tax is imposed on nonresident commuters, but all military pay is exempt.**

\$600 each taxpayer. **Military-none.**

State Department of Revenue Administration Division of Interest and Dividends, Box 345, Concord, New Hampshire 03301

**NEW JERSEY**

An income tax is imposed on individuals who work in New Jersey but reside in New York or Pennsylvania. **All active duty military pay is exempt.**

**NEW MEXICO**

Same as Federal.

Same as Federal. **Military-same as Federal, including combat-zone exclusion, may defer filing and paying for 12 months on application, and extension automatic for Vietnam hospitalization or service.**

New Mexico Bureau of Revenue, Returns Processing Division, P.O. Box 630, Santa Fe, New Mexico 87501

**NEW YORK**

If Federal income tax return is required to be filed, or if NY adjusted gross income exceeds exemptions, or if, for minimum income tax purposes, you have any items of tax preference in excess of specific deduction.

\$650 for each Federal exemption. **Military-same as Federal, including combat-zone exclusion; PW/MIA pay exempt; taxes are abated in cases of combat zone death.**

New York State Income Tax Bureau, State Campus, Albany, New York 12227. Service personnel should request NY State pamphlet MS-60 for complete information.

**Note:** State law provides "resident" means an individual who is domiciled in State, unless maintaining no permanent place of abode in State, maintains a permanent place of abode elsewhere, and spends in the aggregate not more than 30 days of taxable year in State. **Living in government quarters may qualify as maintaining a permanent place of abode; however a place of abode is not deemed permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose.**

**NORTH CAROLINA**

Gross income in excess of personal exemption without inclusion of exemption for dependents.

\$1,000 if single or married woman; \$2,000 if head of household, married man, widower or widow, with a minor child, or divorcee with custody of minor child and receiving no alimony of child support, \$600 each D, \$600 additional for D enrolled fulltime in institution of higher learning, \$2,000 additional if parent or guardian of D having IQ under 40. **Military-combat zone exclusion same as Federal, abatement of taxes if death result of combat duty, interest or penalty not assessed for taxes while member is in combat zone or hospitalized as result of such duty, first \$3,000 retired pay exempt, disability pay exempt, commencing 1974, reductions for Survivor Benefit Program and Retired Servicemen's Family Protection Plan are excludable from gross income.**

North Carolina Dept. of Revenue, Individual Income Tax Div., P.O. Box 25,000, Raleigh, North Carolina 27640

**NORTH DAKOTA**

If required to file a Federal income tax return.

Same as Federal plus 1 extra exemption of \$300 if M and filing a joint return, head of household, or surviving spouse. **Military-\$1,000 exclusion for active, Reserve, and National Guard service, members outside U.S. may defer filing and paying without penalty or interest until date Federal return due.**

North Dakota State Tax Dept., State Capitol, Bismarck, North Dakota 58501

**OHIO**

Adjusted gross income in excess of exemptions.

**Note:** some cities impose income taxes, however, military pay is exempt.

\$500 for taxpayer spouse, each D. **Military-combat zone exclusion same as Federal; retired military pay of \$4,000 excluded.**

Ohio Dept. of Taxation, Box 2679, Columbus, Ohio 43216

**Least Income To File****Personal Exemptions/Credits; Military Exclusions/Deferments in bold face****Where To Obtain Forms And File****OKLAHOMA**

Same as Federal

S-\$750; M-\$1,500, \$750 each D. **Military-first \$1,500 active duty or retired pay excluded, PW/MIA pay excluded, filing and payment deferred if member outside US or hospitalized until 15th day of 3d month following return/discharge, extensions may be granted.**

Oklahoma Tax Commission, Income Tax Division, Oklahoma City, Oklahoma 73191

**OREGON**

If Federal return is required or income subject to Oregon income tax.

**Note:** State law provides that "resident" is individual who is domiciled in State unless (1) he maintains no permanent place of abode in State, (2) he does maintain a permanent place of abode elsewhere, and (3) he spends in the aggregate not more than 30 days of taxable year in State.

Same as Federal as modified: \$675 per exemption, low income allowance to \$1,500 on joint return, \$50 credit for permanent loss of use of 2 limbs. **Military-\$3,000 specific military pay exclusion plus Federal combat-zone exclusion and postponement for filing, taxpayer 65 or older may exclude \$2,400, retired military pay reduced dollar for dollar by earned income effective for tax years ending on or after 9 Sep 71.**

Oregon State Dept. of Revenue, Salem, Oregon, 97310

**PENNSYLVANIA**

Any income.

**Note:** State law provides that "resident" means an individual who is domiciled in State unless he (1) maintains no permanent place of abode in State for entire year, (2) maintains a permanent place of abode elsewhere for entire year, and (3) spends in the aggregate not more than 30 days of taxable year in State.

**Living in Government quarters is not considered as maintaining a permanent place of abode.**

None. **Military-all military pay earned out of State is exempt effective 1 Jan 74, combat zone pay is exempt, exemptions for filing may be granted, retired members should check on special tax provisions for economically underprivileged persons.**

Dept. of Revenue, Personal Income Tax Bureau, State Capitol, Box 8111, Harrisburg, Pennsylvania 17129

**PUERTO RICO**

Gross income in excess of: \$800 if S, \$2,000 if married

S-\$800; M-\$2,000, \$600 each D who is not university student, \$1,000 each D who is university student, \$800 each D who is mentally or physically defective. **Military-mustering payments are exempt, active service members during Vietnam conflict are allowed qualified special \$500 deduction during 10 years following honorable discharge.**

Commonwealth of Puerto Rico, Dept. of Treasury, Bureau of Income Tax, P.O. Box 2501, San Juan, Puerto Rico 00903

**RHODE ISLAND**

If required to file a Federal return.

**Note:** State law provides in part that a "resident" means an individual who is domiciled in State, unless he maintains no permanent place of abode in State, maintains a permanent place of abode elsewhere, and spends in the aggregate not more than 30 days of the taxable year in the State.

**The Tax Administrator has advised that "Rhode Island domiciliary servicemen are deemed to be subject even though they spend no time in Rhode Island during a tax year."**

Same as Federal. **Military-same as Federal, including combat-zone exclusion.**

Division of Taxation, Income Tax Section, 289 Promenade Street, Providence, Rhode Island 02908

**SOUTH CAROLINA**

Gross income of \$800 or more.

S-\$800, M-\$1,600 if joint return, or if only one spouse has income, or if head of household, \$800 each D. **Military-combat zone exclusion same as Federal, PW/MIA pay exempt, tax abated if member dies as result of combat zone duty, \$1,200 of retired pay of members who retired with 20 or more years service is excluded.**

South Carolina Tax Commission, Income Tax Div, Box 125, Columbus, South Carolina 29214

**TENNESSEE**

Income over \$25 consisting of dividends from stock and interest from bonds.

Income of blind persons. **Military-may defer filing until 90 days after return from combat zone or hospitalization as a result of injury or disease incurred in such zone.**

Tennessee Dept. of Revenue, Inheritance, Gift, and Income Tax Division, 830 Andrew Jackson State Office Bldg., Nashville, Tennessee 37242

**UTAH**

If required to file a Federal return.

Same as Federal. **Military-same as Federal, members outside the U.S. may obtain late filing penalty waiver if filing before earlier than 15th day of 4th month after return to U.S. or discharge.**

Utah State Tax Commission, State Office Bldg., Salt Lake City, Utah 84134



**Least Income To File****Personal Exemptions/Credits; Military Exclusions/Deferments in bold face****Where To Obtain Forms And File****VERMONT**

If required to file a Federal income tax return and earned or received more than \$100 Vermont income.

**Note:** State law provides that if a domiciliary (1) maintains a permanent place of abode outside State, (2) does not maintain one in Vermont during the entire taxable year, and (3) spends in the aggregate no more than 30 days of that taxable year in State, does not qualify for residency during any portion of that taxable year.

**VIRGINIA-due May 1**

Same as Federal.

Same as Federal, plus tax credits for students, sales and use taxes, and low-income earners. **Military-all active-duty pay exempt, Federal postponement provisions for filing and paying apply to Vermont.**

Vermont Dept. of Taxes, Montpelier, Vermont 05602

\$600 each personal exemption. **Military-combat-zone exclusion same as Federal, filing and paying deferred during combat-zone duty or hospitalization outside the U.S. as result of such service plus next 180 days, first \$2,000 of Armed Forces retirement benefits to retirees who reach age 60 during tax year, and first \$1,500 of retirement benefits received by surviving spouse regardless of age are excluded.**

Commissioner of Revenue, Director of Finance of the county or city of which taxpayer is resident.

**WEST VIRGINIA**

If Federal return is required, or if West Virginia adjusted gross income exceeds exemptions.

**Note:** State law, effective 1 January 74 states a West Virginia domiciliary, a member of the Armed Forces, is exempt from paying State income tax on military pay if (1) he or she did not spend 30 days in the State in taxable year, and (2) such Armed Forces member maintained a permanent place of abode outside State. In connection with the 2d condition, it is the Tax Department's position that a permanent place of abode is maintained regardless of whether the serviceman lived in private or Govt quarters.

\$600 for each exemption on Federal Tax return. **Military-same as Federal, including combat-zone exclusion and postponement for filing and paying, first \$4,000 of active duty pay and all retired pay excluded. See note-all three conditions must be met.**

West Virginia State Commissioner, Income Tax Division, Charleston, West Virginia, 25305

**WISCONSIN**

S-\$1,950 gross income, M-\$2,600 gross income.

**Note:** declarations of estimated tax need not be filed by persons on active duty outside U.S.

Tax credits of \$20 each for taxpayer and spouse under 64, \$25 if 65 or older, \$20 each D, additional \$20 if head of household. **Military-\$1,000 exclusion of active or active-reserve military pay or Fleet Reserve retainer pay, combat-zone exclusion and postponement same as Federal, income of PW/MIAs is exempt.**

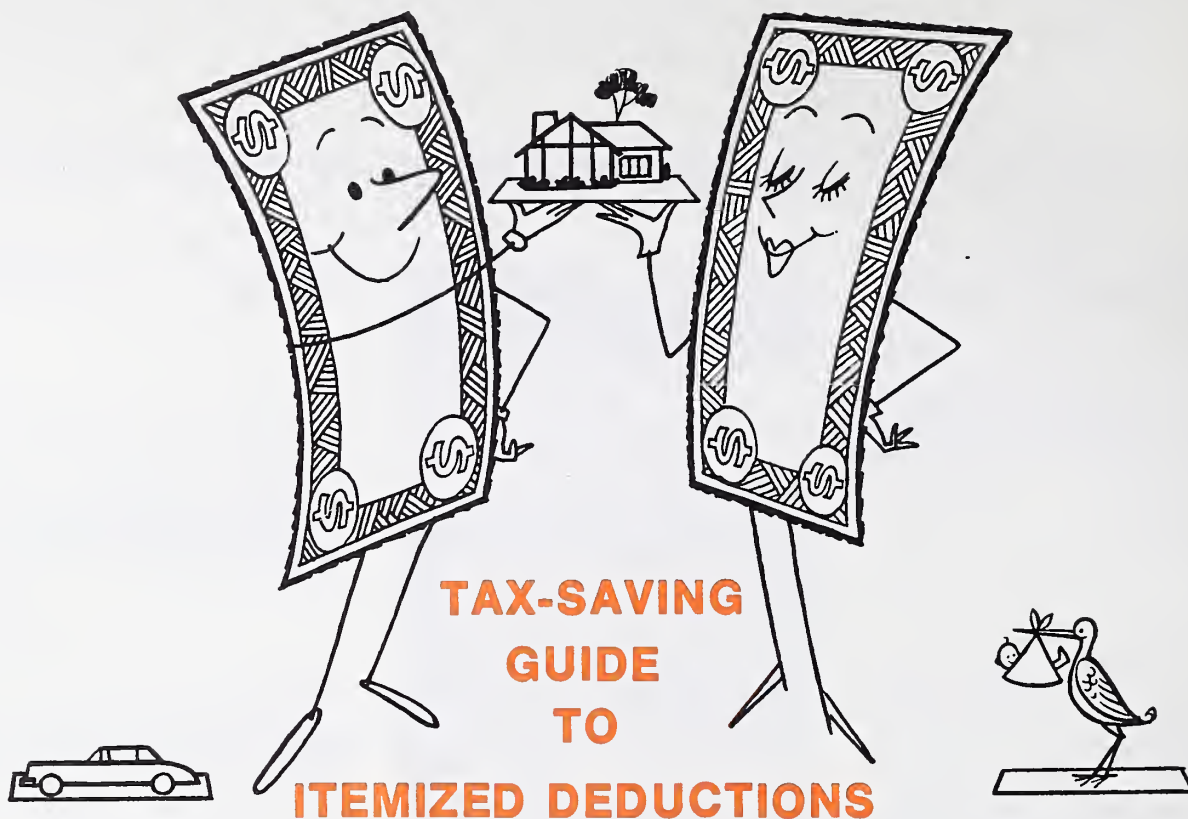
Wisconsin Dept. of Revenue, P.O. Box 59, Madison, Wisconsin 53701

**Reference:**

Dept. of the Navy, JAGINST 5840.6F, November 26, 1974, "Summary of income tax laws of States and possessions of the United States."

**Information:** The material contained in this Fact Sheet is current as of date of publication.

If questions arise, members should contact the State agency whose address is included in the chart above.



### DEDUCTIONS, ADJUSTMENTS, EXCLUSIONS FOR MEMBERS OF THE ARMED FORCES

Item	You can claim—	To prove, you need—
Combat pay & combat support pay	EM and WO—all pay; Os—\$500 a month	Appropriate reductions will be made on W-2; check for accuracy
Family Separation Allowance	Amount does not have to be reported.	Will not appear on W-2
Moving Expenses	Deductible within certain limits; check with IRS or Legal Office; cash received as reimbursement must be included as gross income	Keep records during move; use IRS Form 3903
BAQ and Subsistence Allowance	Amount does not have to be reported	Will not appear on W-2
Clothing Allowance	Amount does not have to be reported	Will not appear on W-2
PW or MIA Pay	Entire amount received	Will not appear on W-2
Sick Pay	Excludable within certain limits if you were sick during year	Keep records of pay received during period of sickness; use IRS Form 2440
Political Contributions	\$50 (\$100 on joint return) or up to ½ of contribution not exceeding \$12.50 (\$25 on joint return) as direct credit against tax	Canceled check or paid receipt

### GUIDE FOR ALL TAXPAYERS

#### Medical Expenses

Medical Expenses	All medical expenses exceeding the 3% limits - 3% of income.	Canceled checks or paid receipts
Drugs	All expenses exceeding 1% of income; must also meet 3% rule	Proof that ½ of support of dependent furnished; deductible even if dependent earns over \$750 and files joint return Paid receipts from druggist or other supplier

#### State And Local Taxes

Income taxes (State, local, foreign)	No limit if qualified (report any 1973 refunds for taxes deducted in prior year as income)	Canceled check, paid receipt, W-2 form showing amount withheld
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<b>Gasoline tax</b>	No limit (deduction applies only to State and local gas taxes)	IRS gas tables, plus proof of miles driven
<b>Sales tax</b>	Amount in Internal Revenue Service sales tax guidelines, plus sales tax paid on new car, boat, camper, etc., and building material purchased in constructing a home	IRS sales tax guidelines, plus evidence of sales tax; if IRS guidelines not used, evidence of all sales tax payments claimed
<b>Personal property taxes</b>	No limit—exception, license plate fees deducted only if your State treats fees as personal property tax	Canceled check, paid receipt
<b>Interest Expense</b>		
<b>Home mortgage (includes cooperative and condominium owner's share of interest)</b>	No limit (be sure to exclude principal payments, taxes, and insurance if included in monthly statement)	Statement from lender or passbook
<b>Mortgage prepayment penalty; prepaid interest</b>	Amount of payment	Statement of lender
<b>Mortgage "points" paid to obtain loan</b>	Entire payment minus any service charges	Lender's statement, plus canceled check or paid receipt
<b>Installment purchases (includes credit cards)</b>	Entire amount of finance charge paid	Passbook, credit billings, canceled checks, receipt
<b>Interest on additional Federal or local income taxes for earlier years</b>	Entire payment if made during year	Tax statement identifying payment, plus evidence of payment
<b>Interest on special assessment (paving, sewer, etc)</b>	No limit	Tax statement identifying interest, plus evidence of payment
<b>Charitable Contributions</b>		
<b>Contributions</b>	Generally, up to 50% of income for contributions to qualifying organizations	Canceled check or paid receipt
<b>"Door to door" cash contributions</b>	Limited to reasonable estimate or amount provable	Paid receipts plus reasonable estimates
<b>Church, United Fund, Service Funds, etc.</b>	Ordinarily limited only by the 50% rule outlined above	Canceled checks, paid receipts, statements, etc., and reasonable estimate of church contributions
<b>Charity travel (Sunday school teacher, Scoutmaster, etc)</b>	Cost of gas, oil, etc., or 7¢ a mile	Proof of miles driven or proof of actual costs
<b>Uniforms (Red Cross worker, Scoutmaster, etc)</b>	Cost of uniforms	Canceled check or paid receipt
<b>Donation of personal property</b>	Limited to value of property	Appraisal from charity or dealer in such items must be furnished if deduction exceeds \$200
<b>Casualty Losses</b>		
<b>Losses from storm, flood, theft, etc.</b>	Loss in value of property (except first \$100 not deductible); any insurance recovery decreases loss	Appraisals of value decrease; proof of cost basis and ownership of property; proof that loss was caused by casualty
<b>Real estate taxes on all real estate owned, including condominium owner's share of taxes</b>	No limit	Canceled check, paid receipt
<b>Special assessments</b>	Generally limited to assessments for repairs	Evidence of payment, plus proof of purpose of assessment and that value of property not increased
<b>Car accidents</b>	Same as any casualty loss	Same as any casualty loss
<b>Miscellaneous Deductions</b>		
<b>Union and professional dues</b>	Entire amount	Canceled checks, paid receipts
<b>Child care expenses (paid so that earner may work)</b>	Up to \$4,800 on incomes up to \$18,000 per year; deduction then decreased 50¢ for each \$1 income exceeds \$18,000	Proof that costs cover "baby sitter" in home or day care costs for dependents under 15 or any disabled dependents or spouse regardless of age
<b>Employment expenses (safety equipment, tools, etc)</b>	Your cost	Canceled checks or paid receipts



## IRS FORM 1040A AND THE MILITARY

*Understanding is the Key*

**Who may use the IRS Form 1040A?  
What are the advantages of using it?**

**Who May Use:** The "short form 1040A" will be used by many members of the Armed Forces this year. To do so, you must meet the following requirements—

- —all of your income in 1974 was from wages, salaries, tips, and other employee compensation,
- —you received as income not more than \$400 in dividends or \$400 in interest, and
- —you do not itemize your deductions.

**Short Form 1040A U.S. Individual Income Tax Return** Department of the Treasury Internal Revenue Service **1974**

Name (If joint return, give first names and initials of both) <b>JOHN F. &amp; MARY</b>	Last name <b>BROWN</b>	COUNTY OF RESIDENCE <b>3</b>	Your social security number <b>516 04 1492</b>
Present home address (Number and street, including apartment number, or rural route) <b>3700 MILLWAY</b>		Spouse's social security no. <b>575 10 1776</b>	
City, town or post office, State and ZIP code <b>HOMETOWN, MARYLAND 20715</b>		Occupation <b>CLERK</b>	Spouse's occupation <b>HOUSEWIFE</b>

**Filing Status (check only one)**

1 ☐ Single

2 ☒ Married filing joint return (even if only one had income)

3 ☐ Married filing separately. If spouse is also filing, give spouse's social security number in designated space above and enter full name here

4 ☐ Unmarried Head of Household (See instructions on page 5)

5 ☐ Widow(er) with dependent child (Year spouse died ▶ 19 )

**Exemptions**

6a Yourself ☒ Regular / 65 or over / Blind ☐ Enter number of boxes checked ▶ **2**

6b Spouse ☒ ☐

6c First names of your dependent children who lived with you **JAMES** Enter number ▶ **1**

6d Number of other dependents (from line 26) ▶ **3**

7 Total exemptions claimed ▶ **3**

**Presidential Election Campaign Fund** 6 Do you wish to designate \$1 of your taxes for this fund? ☒ Yes ☐ No

**Income**

9 Wages, salaries, tips, and other employee compensation (Attach Form W-2, if unused) **9430 00**

10a Dividends (if over \$400, use Form 1040) **450 00** 10b Less Exclusion **50 00** Balance **400 00**

11 Interest income (if over \$400, use Form 1040) **150 00**

12 Total (add lines 9, 10c, and 11) (Adjusted Gross Income) **9980 00**

**Tax**

13 If line 12 is \$10,000 or more, enter 15% of line 12 but not more than \$2,000 (if line 3 checked) **1500 00**

14 Subtract line 13 from line 12 **8480 00**

15 Multiply total number of exemptions claimed on line 7 by \$750 **2250 00**

16 Taxable income (subtract line 15 from line 14) **6230 00**



**How To Use:** Follow the instructions below. The numbers in the subparagraphs below refer to the circled numbers on the forms illustrated. If there are questions, refer to the printed instructions again covering the paragraph in question; if doubts still persist, see the unit legal assistance officer or contact the nearest office of the Internal Revenue Service.

**Name and address:** Use the label on the cover of the tax forms package. Correct anything that is in error on the label. If you have no label, print your name and complete address.

**County of residence:** Print the full name of the county, parish, or borough in which you maintain residence, unless you live in one of the cities specified in the IRS instructions, in the District of Columbia, or not within one of the organized boroughs in Alaska. In these instances, follow the instructions given in the IRS instructions.

**Social Security Number:** Write in complete Social Security number in this space; be sure to show occupation in the space just below the number.

**Filing Status:** Check only one box, make certain it is the proper one since your tax rate will depend on it. If there is a doubt, go over the IRS instructions on this point.

**Exemptions:** Check appropriate boxes, making certain to enter the names of dependent children. Add up your claims and place number in "Total" space.

**Presidential Election Campaign Fund:** You may designate \$1

of your tax money to this fund; on joint returns, both may elect to designate \$1 each, both may elect not to designate, or one may elect to designate and the other choose not to. If you check "Yes" it will not increase your tax or reduce your refund; by checking you automatically appropriate money for the fund.

**Wages, Salaries, Tips, Other Compensation:** Give total of all wages shown on Forms W-2; on joint return, combine total for you and spouse.

**Dividends:** The first \$100 received from qualifying domestic corporations is not taxed; if taxpayer and spouse each had dividends, each can exclude the first \$100.

**Interest:** Show all interest received or credited to your account by banks, savings and loan associations, credit unions, etc.

**Total Income:** Add amounts on lines 9, 10c, and 11; this is your "Adjusted Gross Income."

**Instructions:** These will aid you in figuring your tax in the fastest manner possible. If you want the IRS to figure your tax, do not complete lines 13 through 17, line 19, and lines 21 through 25. Be sure that lines 18, 20a, 20b, and 20c are filled in. Sign the return, attach the forms needed, and file with the designated IRS office. IRS will figure the tax and send a refund check if too much has been paid or a bill if you did not pay enough.

If you do not want the IRS to figure your tax, fill in the remainder of Form 1040A using the following guidelines:

**12—Figuring Your Tax:** On line 13, take a standard deduction; if married and filing separately, the amount for either spouse cannot be more than \$1,000. Line 14—subtract line 13 from line 12 and show the difference here. On line 15, multiply the number of exemptions shown on line 7 by \$750 and show the amount here. On line 16, subtract line 15 from line 14 and show the difference here. Turn to Tax Rate Schedules and find the schedule that fits your filing status and figure your tax. Enter the tax figure on line 17 and check the block for "Tax Rate Schedule X, Y, or Z."

**Contributions to Candidates:** Add up money given to pay candidates' campaign expenses. Fill in **HALF** the amount you gave, but not more than \$12.50 (\$25.00 on joint return) or amount of your tax as shown on line 17.

**Your Income Tax Amount:** If you filled in an amount on line 18, subtract it from line 17 and show difference here; if no contributions, show the same amount on line 19 as is on line 17.

**Income Tax Withheld:** Show amount on Form W-2 here; if filing a joint return, add together the amounts for each taxpayer.

**Excess FICA Tax and Estimated Tax Payments:** Follow the IRS instructions in figuring these two items.

**Tax Due IRS:** If line 19 is more than line 21, show the difference here. This is the tax you still owe. You may pay by check

or money order made payable to the Internal Revenue Service. Include your Social Security number on the check. If line 22 is under \$1, you do not have to pay.

**Tax Refund:** If line 21 is more than line 19, show the difference here. This is the refund owed you. If line 23 is under \$1, a refund will be made only if the taxpayer requests it.

**Completing Your Return:** Two important actions remain—(1) Sign and date the return; if it is a joint return, both you and your spouse must sign; if someone else made out your return, he must also sign and show his address and identifying number here, and (2) Attach Your Forms W-2 and any statements or other forms.

Form 1040A (1974) Page 2

17	Tax, check if from: <input checked="" type="checkbox"/> Tax Tables 1-12 OR <input type="checkbox"/> Tax Rate Schedule X, Y, or Z	18	1043 00
18	Credit for contributions to candidates for public office (see instructions page 4)	19	1043 00
19	Income tax (subtract line 18 from line 17). If less than zero, enter zero	20a	1060 80
20a	Total Federal income tax withheld (attach Forms W-2 to front)	21	1060 80
20b	Excess FICA tax withheld (two or more employers—see instructions on page 4)	22	18
20c	1974 estimated tax payments (include amount allowed as credit from 1973 return)	23	17 80
21	Total (add lines 20a, b, and c)	24	17 80
22	If line 19 is larger than line 21, enter BALANCE DUE IRS	25	
23	If line 21 is larger than line 19, enter amount OVERPAID		
24	Amount of line 23 to be REFUNDED TO YOU		
25	Amount of line 23 to be credited on 1975 estimated tax		

Other Dependents

(a) NAME	(b) Relationship	(c) Months lived in your home if born or died during year, write B or D.	(d) Did dependent have income of \$750 or more?	(e) Amount YOU furnished for dependent's support. If 100%, write ALL.	(f) Amount furnished by OTHERS including dependent.
5					

26 Total number of dependents listed in column (a). Enter here and on line 6d

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

Sign here: John F. Brown 2-20-75 Date: 2-20-75

Spouse's signature (if filing jointly, BOTH must sign even if only one had income): Mary Brown 2-20-75 Date: 2-20-75

Preparer's signature (other than taxpayer) \_\_\_\_\_ Date \_\_\_\_\_

Address (and ZIP Code) \_\_\_\_\_ Preparer's Emp. Ident. or Soc. Sec. No. \_\_\_\_\_

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WITH  
IDEAS?**

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